

Conservation Counts

Special Working Lands Initiative Edition

September 2010

Jefferson County Land and Water Conservation Department
Courthouse
320 South Main Street
Jefferson WI 53549

Working Lands Initiative

The New Farmland Preservation



As part of the 2009-2011 Wisconsin State Budget, a new Working Lands Initiative was created. As a result of this legislation, the Farmland Preservation Program has changed. This newsletter is intended to highlight important new additions to the tax credit program.

Among the components of the Working Lands Initiative is the modernization and expansion of the existing Farmland Preservation Program. The tax credit itself changes from an income/property tax basis to a flat rate of \$7.50 per acre for lands in exclusive

agricultural zoning. There is no cap on the amount of acreage you can claim under the new program nor is there a minimum acreage requirement. The land still must produce \$6000 in gross farm profits each year and you must meet new conservation criteria.

Landowners who claimed the tax credit on their 2009 Wisconsin Income Tax will be allowed to transfer into the program without meeting the new conservation requirements right away. These landowners will be put on a schedule of compliance.

Landowners who did not take the tax credit in 2009 will have to be in full compliance with the conservation standards before being allowed to take the tax credit.

The Land and Water Conservation Department is committed to working with County farm owners and operators to insure a smooth transition into the new program.

After reading this newsletter, if you have questions on your eligibility please contact the Department. Contact information is located on the back cover of this newsletter.

New Soil and Water Conservation Standards

One of the biggest changes in Working Lands Initiative Farmland Preservation Program is that all participants must be in compliance with the State Soil and Water Conservation Standards, also known as the NR 151 Runoff Rules.

Essentially the Runoff Rules can be divided into two parts; rules for crop producers and rules for livestock producers.

CROP PRODUCERS: For farms that only grow crops, the farm must be covered by an approved soil and water conservation plan and a nutrient management plan.

LIVESTOCK PRODUCERS: For livestock farms, the land must be covered by an approved soil and water

conservation plan and a nutrient management plan but additionally must meet the following **manure management standards:**

- No direct runoff from feedlots or stored manure into state waters,
- Limit livestock access to state waters so that self-sustaining sod cover is maintained,
- Follow a nutrient management plan for manure application,
- No unconfined manure stacks in a water quality management area defined as within 300 feet of a stream or 1000 feet of a lake or in an area susceptible to groundwater contamination,
- Divert clean water away from feed-

lots, barnyards and manure storage areas within water quality management areas.

If you have manure storage structures:

- Maintain the storage structure in good working order,
- No overflow of the structure is allowed,
- Repair or upgrade failing or leaking structures according to accepted technical standards,
- Close abandoned structures according to accepted technical standards,
- Meet accepted technical standards for new or substantially altered structures.

Soil and Water Conservation Plans



The Jefferson County Land and Water Conservation Department maintains almost 1,000 conservation plans on County farms. To participate in FPP, you must have and follow an approved Soil and Water Conservation Plan.

These plans were written based on decisions made by either the landowner or

the farm operator.

Soil loss is calculated using a formula called the Revised Universal Soil Loss Equation (RUSLE2).

RUSLE2 uses five factors to determine erosion rates; rainfall factor, soil erodibility factor, slope length and percent factor, cropping factor and a practice factor (such as contour farming). Conservation planners use a computer program to enter the particular factors for each farm field and then modify the rotation and tillage practices if needed

to reduce erosion to tolerable levels.

A typical plan includes an aerial photo/map of the farm with the fields delineated and numbered and a written plan outlining what rotation, tillage and supporting practices such as contouring have been agreed upon by the landowner and/or renter.

These plans can be updated or modified at any time if the farming operation changes.

Nutrient Management Plans

A Nutrient Management Plan is a document that outlines how to obtain the maximum return from your manure and/or commercial fertilizers, in a way that limits the amount of nutrients entering surface and ground water. When followed, a nutrient management plan not only benefits the environment but should improve profitability for agricultural producers through the more accurate application of nutrients.

Producers often hire a certified crop

consultant to prepare their nutrient management plans. Plans may be written by farmers if they complete a Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) approved training course every four years.

A Nutrient Management Plan Must:

- Be based on soil test analysis done once every 4 years by a DATCP-certified lab,
- Comply with Natural Resources Conservation Services (NRCS) 590

Nutrient Management Standard ,

- Follow University of Wisconsin publication A-2809 recommendations for nutrient applications.

Landowners will be required to provide a copy of the 590 nutrient management checklist to the Land and Water Conservation Department annually. You will not have to provide a copy of the actual plan except if requested during a scheduled Status Review. All FPP participants will be reviewed for compliance a minimum of once every four years.

Nutrient Management Plans: Frequently Asked Questions

QUESTION: I soil test now so I don't need a nutrient management plan?

ANSWER: Soil testing is a great start but you need a formal plan that meets the NRCS 590 standard.

QUESTION: Is the Government going to force me to spend more money on fertilizer?

ANSWER: A nutrient management plan tells you the amount of fertilizer you should apply to optimize crop yields. You are restricted from over-applying fertilizer but there is no law saying you can't under-apply.

QUESTION: I don't have livestock so I don't need a nutrient management plan?

ANSWER: Nutrient management plans are required on all cropland where manure or commercial fertilizers are applied.

QUESTION: I rent my land out so I don't need a nutrient management plan?

ANSWER: Your farm will need to be covered by a nutrient management plan. You will need to discuss getting a plan with your renter as they are the one that will be using the plan. You will need to discuss who will write the plan and who will pay for the plan. This will be between you and your renter.

QUESTION: I did a plan last year so I

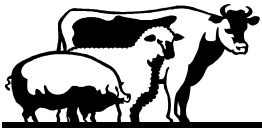


am in compliance, right?

ANSWER: No, nutrient management plans must be updated every year. The plan is specific for each year's crop.

QUESTION: What if my renter will not get or follow a nutrient management plan?

ANSWER: Unfortunately, you will be ineligible for the Farmland Preservation Program Tax Credit if your renter will not comply with the nutrient management plan requirement. Your option may be to find a renter who is willing to do nutrient management planning.



FPP Gross Farm Profits Requirements

Elaine Kroeger, Wisconsin Department of Revenue, Revenue Auditor

The farmland on which the Farmland Preservation Tax Credit claim is based must have produced at least \$6,000 of gross farm profits during the year or at least a total of \$18,000 in gross farm profits in the last three years combined.

"Gross farm profits" means gross receipts, excluding rent, from the land's agricultural use, less the cost or other basis of livestock or other items purchased for resale that are sold or otherwise disposed of during the taxable year. Gross farm profits include the

fair market value, at the time of disposition, of payments-in-kind received for placing land in federal programs. This corresponds to line 11 of the federal Schedule F.

If the owner is not using the land to generate gross farm profits himself, there are two other situations that are used to meet the gross farm profits requirement. If at least 35 acres of your farmland is enrolled in the Conservation Reserve Program (CRP) you do not have to meet the gross farm profits

requirement. This exception may not apply if you compute your credit using the prior year's law method.

If you rent out your farmland, the renter's gross farm profits are used to satisfy this requirement. The owner is not required to collect cash rent or a certain amount of rent. We do not need the owner to verify the renter's gross farm profits, only to provide the name and address of the renter on the State Schedule FC.

The Economics of Soil Testing

Matt Ruark, UW Soil Science Department, October 26, 2009 Wisconsin Crop Manager

Soil testing is the only tool we have to evaluate pH, phosphorus (P) and potassium (K) status of the soil. Knowing this information allows growers to make economically optimum applications of lime and phosphorus and potash fertilizer. In these times of economic uncertainty, managing input costs is an important component of farm sustainability. Many growers have opted to cut costs by eliminating soil testing as part of their management program. *This is not a recommended strategy.*

There are two main misconceptions about soil testing:

MISCONCEPTION #1: Soil testing is expensive.

FACT: Routine soil testing costs about \$0.35 per acre. University of Wisconsin soil testing recommendations are to

collect one composite sample per five acres and to soil test at least once every four years. Using the standard rate of \$7.00 for routine soil analysis (which includes pH, P, K and organic matter), this averages out to \$0.35 per acre per year. All Wisconsin Department of Agriculture, Trade and Consumer Protection Certified Laboratories are required to provide fertilizer recommendation based on University of Wisconsin guidelines along with the soil test values. (Note: actual cost of soil test may be slightly higher depending on the lab and if shipping costs are incurred.)

MISCONCEPTION #2: Maintenance application of P and K are appropriate in all situations.

FACT: Soils testing in the Very Low and Low range for P and K require additional inputs beyond removal rates

to optimize yields.

FACT: Soils testing in the High and Excessive range for P and K require less than removal rates to optimize yield.



In either case, money is lost from either reduced yields or over-application of P and K. When soils tests indicate the soil is in the very low to low category, this suggests that there is a high likelihood that yields will increase due to the application of fertilizer. However, it also indicates that the subsequent crops would benefit from building the "fertility" of the soil through additional P and K inputs over time.

For more information on soil testing please visit the following website:

www.soils.wisc.edu/extension/soilsampling.php

Compliance Schedule for Nutrient Management Plans for Jefferson County

As all farms enrolled in FPP will need to have and follow a nutrient management plan, regardless of whether they are cash grain farms or livestock based farms, in the interest of equality to all participants, Nutrient Management Plans will need to be completed by the fall of 2012 for the 2013 crop year. It may be wise to start early!

If you need to develop a plan, contact your co-op or crop consultant or a list of Certified Nutrient Management Planners is available from the Land and Water Conservation Department.

Additional Working Lands Initiative Components

Agricultural Enterprise Areas

An agricultural enterprise area (AEA) is a contiguous land area devoted primarily to agricultural use and locally targeted for agricultural preservation and agricultural development. In counties with exclusive ag zoning, such as Jefferson, the FPP tax credit is increased from \$7.50 to \$10 per acre.

Benefits of AEAs

- Preserve areas valuable for current and future agricultural use
- Promote the development of agricultural businesses

Designation of an AEA

Generally, the designation of AEAs is based on review of a petition voluntarily submitted to Department of Agriculture, Trade and Consumer Protection (DATCP) by a group of at least 5 eligible farm owners. Petitions filed with DATCP must meet basic requirements to be considered for designation.

The area proposed for designation as an AEA must be:

- Located in a farmland preservation area, as certified under a county farmland preservation plan
- A contiguous land area
- Primarily in agricultural use

Once successful petitions are selected, the State will officially designate the areas as AEAs through a modified administrative rule process. The rule process requires a public hearing and notice to the legislature. AEAs may only be designated, modified or terminated through this process.

Purchase of Agricultural Conservation Easement Matching Grant Program (PACE)

The PACE program provides State funding for the purchase of agricultural conservation easements. An agricultural conservation easement prohibits development that would make the land unavailable or unsuitable for agricultural use. Easements are voluntary and offer the landowner compensation for limiting development on their farmland.

PACE funds are available as grants of up to 50% to local government or non-profit organizations for the purchase of the development rights on farms. Landowners considering selling their development rights need to go through either the County Easement Commission or a private land trust organization.

The easements are permanent and go with the land if it is sold. Landowners still privately own and manage their land, they keep title to the property and are eligible for Farmland Preservation Tax Credits providing they meet all program eligibility.

For more information on PACE, contact the Jefferson County Zoning Department at 920-674-7130

Do I need a permit?

ARE YOU EXPANDING YOUR LIVESTOCK HERD TO OVER 150 ANIMAL UNITS?

You need a Livestock Siting Permit. Stop into the Land Conservation Office for an application packet. Conservation requirements for Livestock siting are the same as for Working Lands Initiative. One animal unit is equal to 1,000 pounds of animal weight. Thus, a 1,400 pound dairy cow is 1.4 animal units.

ARE YOU BUILDING NEW ANIMAL WASTE STORAGE OR MODIFYING EXISTING STORAGE OR CLOSING A STORAGE SYSTEM THAT IS NO LONGER IN USE?

You need a Manure Storage Permit. Applications are available from the Land Conservation Office. You will need a nutrient management plan prior to being issued a permit.



2010/2011 Tree and Shrub Sale Order Form

There are a limited number of trees and shrubs available. Trees will be reserved with paid and completed order forms on the day they are received. Place your order early!

Minimum order of any one species is 25 trees. All orders must be in multiples of 25.

We are required to collect 5.5% sales tax on all trees sold. If you are tax exempt, please include your signed tax exemption form with your order.

Tree pick up will be in mid April at the Jefferson County Fair Grounds. Post cards will be sent out notifying you of pick up times in early April. For more detailed description of trees or shrubs, visit our website or email bethk@jeffersoncountynwi.gov

Fraser Fir (2-3, 12"-16") Excellent as Christmas tree, likes cool moist, well-drained soil. Grows 40 to 60 ft

White Pine (2-2, 7' - 15") Native to Wisconsin, vigorous growing tree with soft bluish green needles. Prefers sandy loam soils. Grows 60-100 ft.

Red Oak (Seedling, 12"-18") Long lived oak, provides food and shelter for wildlife, prefers well-drained loamy soil. Grows to 90 ft.

Colorado Blue Spruce (2-2, 12"-16") Slow growing, densely formed tree with stiff silvery-blue needles. Good ornamental. Thrives in dry well-drained soil. Full sun. Grows over 35 ft.

Hazel Nut (Seedling, 6"- 12") Small shrub often in clumps reaching 12 ft in height. Edible brown nuts. Best in moist well-drained soils, full sun to deep shade. Attracts wildlife.

Norway Spruce (2-2, 7"-15") Fastest growing spruce. Dark green needles and draping branches. Grows in most soil conditions and full sun. Grows to 70 ft.

White Cedar or Eastern Arborvitae (2-3, 12-16") Fan-like glossy leaves provide year-round color. Good for wind-breaks and screening. Prefers heavy damp soils. Grows 40-50 ft high and 10-15 ft wide.

White Spruce (2-2, 7"-15") Moderate fast growing tree with bluish-green needles. Short stiff branches. Prefers moist loamy soils. Grows to 80 ft.

Serviceberry– Alegheny (Seedling, 12”-16”) Small upright multi-stemmed tree. Grows to 25 ft. Widely adaptable, full sun to partial shade. White flowers yield purplish-blue fruit, Orange-red fall foliage.

American Cranberry (Seedling, 12"-18") Large attractive shrub with big white flower clusters in late may. Scarlet berries in fall. Well-drained to moist sites, 8 ft high , 10-12 ft wide.

| Tree Type | # of Bundles | Price (# of bundles x \$25) |
|---------------------------------|--------------|-----------------------------|
| | | |
| | | |
| | | |
| | | |
| Name _____ Address _____ | Subtotal | |
| | 5.5% Tax | |
| | Total | |

Make checks payable to Jefferson County LWCD

Mail to Jefferson County LWCD

320 South Main Street

Jefferson WI 53549

Questions? 920-674-8796

Wisconsin's New Farmland Preservation: Working Lands Initiative



This special edition of *Conservation Counts* is meant to help current and potential Farmland Preservation Program Participants learn more about the new Working Lands Initiative. The Jefferson County Land and Water Conservation Department will begin the process of qualifying farms under the new program in January of 2011. Until then, here's what you can do:

Current Participants: (MUST HAVE CLAIMED FPP TAX CREDIT FOR 2009 TAX YEAR)

- Make sure your soil and water conservation plan is up-to-date,
- If you have a renter, ask if they have a "qualifying" Nutrient Management Plan.
- If you farm your own land and do not have a "qualifying" Nutrient Management Plan, talk to your co-op or contact a certified planner and get a head start on the Fall 2012 deadline.
- If you have livestock, look over your operation to see if you have any manure handling issues that need correcting.

New Participants: (OR ANYONE WHO DID NOT CLAIM FPP TAX CREDIT FOR 2009)

- You must be in full compliance with the Soil and Water Conservation Standard (ss NR151),
- Contact the Jefferson County Land and Water Conservation Department to develop a soil and water conservation plan,
- If you do not have a "qualifying" Nutrient Management Plan, have one written up for submission prior to the tax year deadline.
- Jefferson County Land and Water Conservation Department cannot sign the authorization for you to collect the tax credit with out the above criteria being met.

DON'T KNOW IF YOU CLAIMED FPP FOR 2009 TAX YEAR? CHECK YOUR WI STATE TAX RETURN!

**Jefferson County Land and Water
Conservation Department
Courthouse
320 South Main Street
Jefferson WI 53549**

Return Service Requested

Standard Mail
U.S. Postage
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Permit No. 240
Jefferson, WI

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E-mail: lwcd@jeffersoncountywi.gov
Working Lands Initiative Hotline 920-674-8776
